

Adopted	Rejected
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COMMITTEE REPORT

YES:	16
NO:	5

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1266, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 4, line 7, delete "IC 36-7-14-39(i)" and insert "**IC**
- 2 **36-7-14-39(j)**".
- 3 Page 4, line 7, strike "IC 36-7-15.1-26(g)." and insert "**IC**
- 4 **36-7-15.1-26(h)**".
- 5 Page 5, line 15, delete "to the electric rail service fund established
- 6 by" and insert "**for railroad car maintenance and improvements**
- 7 **provided under IC 6-1.1-8.2**".
- 8 Page 5, delete line 16.
- 9 Page 19, between lines 21 and 22, begin a new paragraph and insert:
- 10 "SECTION 20. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011,
- 11 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 12 UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in
- 13 subsections (c), ~~and~~ (d), **and (i)**, a county auditor shall correct errors
- 14 which are discovered in the tax duplicate for any one (1) or more of the
- 15 following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer, the taxpayer was not given:
 - (A) the proper credit under IC 6-1.1-20.6-7.5 for property taxes imposed for an assessment date after January 15, 2011;
 - (B) any other credit permitted by law;
 - (C) an exemption permitted by law; or
 - (D) a deduction permitted by law.

(b) **Subject to subsection (i)**, the county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor (if any).
- (2) The county auditor.
- (3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to

the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

(i) A taxpayer is not entitled to relief under this section unless the taxpayer files a petition to correct an error:

(1) with the auditor of the county in which the taxes were originally paid; and

(2) within three (3) years after the taxes were first due."

Page 21, delete lines 12 through 42.

Page 22, delete lines 1 through 26.

Page 25, line 24, reset in roman "a public library" and insert **"that has its proposed budget and proposed property tax levy approved under section 20.3 of this chapter"**.

Page 25, line 25, reset in roman "or".

Page 25, line 26, after "." insert **"The term includes a public library that has a taxing district located within at least two (2) counties."**

Page 26, delete lines 25 through 42, begin a new paragraph and

1 insert:

2 "SECTION 23. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012,
3 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2014]: Sec. 20.3. (a) This section applies only to the
5 governing body of a public library that:

6 **(1) governs a taxing district that is located within a single**
7 **county;**

8 ~~(1)~~ **(2)** is not comprised of a majority of officials who are elected
9 to serve on the governing body; and

10 ~~(2)~~ **(3)** has a percentage increase in the proposed budget for the
11 taxing unit for the ensuing calendar year that is more than the
12 result of:

13 (A) the assessed value growth quotient determined under
14 IC 6-1.1-18.5-2 for the ensuing calendar year; minus

15 (B) one (1).

16 For purposes of this section, an individual who qualifies to be
17 appointed to a governing body or serves on a governing body because
18 of the individual's status as an elected official of another taxing unit
19 shall be treated as an official who was not elected to serve on the
20 governing body.

21 (b) This section does not apply to an entity whose tax levies are
22 subject to review and modification by a city-county legislative body
23 under IC 36-3-6-9.

24 (c) If:

25 (1) the assessed valuation of a public library is entirely contained
26 within a city or town; or

27 (2) the assessed valuation of a public library is not entirely
28 contained within a city or town but the public library was
29 originally established by the city or town;

30 the governing body shall submit its proposed budget and property tax
31 levy to the city or town fiscal body in the manner prescribed by the
32 department of local government finance before September 2 of a year.
33 However, the governing body shall submit its proposed budget and
34 property tax levy to the county fiscal body in the manner provided in
35 subsection (d), rather than to the city or town fiscal body, if more than
36 fifty percent (50%) of the parcels of real property within the
37 jurisdiction of the public library are located outside the city or town.

38 (d) If subsection (c) does not apply, the governing body of the public

library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a public library fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that public library are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any public library subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 24. IC 6-1.1-18-5, AS AMENDED BY P.L.137-2012, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b).

(b) If the additional appropriation by the political subdivision is made from a fund that receives:

(1) distributions from the motor vehicle highway account established under IC 8-14-1-1 or the local road and street account established under IC 8-14-2-4; or

(2) revenue from property taxes levied under IC 6-1.1;

the political subdivision must report the additional appropriation to the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

1 (c) However, if the additional appropriation is not made from a fund
2 described under subsection (b), subsections (f), (g), (h), and (i) do not
3 apply to the political subdivision. Subsections (f), (g), (h), and (i) do
4 not apply to an additional appropriation made from the cumulative
5 bridge fund if the appropriation meets the requirements under
6 IC 8-16-3-3(c).

7 (d) A political subdivision may make an additional appropriation
8 without approval of the department of local government finance if the
9 additional appropriation is made from a fund that is not described
10 under subsection (b). However, the fiscal officer of the political
11 subdivision shall report the additional appropriation to the department
12 of local government finance.

13 (e) After the public hearing, the proper officers of the political
14 subdivision shall file a certified copy of their final proposal and any
15 other relevant information to the department of local government
16 finance.

17 (f) When the department of local government finance receives a
18 certified copy of a proposal for an additional appropriation under
19 subsection (e), the department shall determine whether sufficient funds
20 are available or will be available for the proposal. The determination
21 shall be made in writing and sent to the political subdivision not more
22 than fifteen (15) days after the department of local government finance
23 receives the proposal.

24 (g) In making the determination under subsection (f), the
25 department of local government finance shall limit the amount of the
26 additional appropriation to revenues available, or to be made available,
27 which have not been previously appropriated.

28 (h) If the department of local government finance disapproves an
29 additional appropriation under subsection (f), the department shall
30 specify the reason for its disapproval on the determination sent to the
31 political subdivision.

32 (i) A political subdivision may request a reconsideration of a
33 determination of the department of local government finance under this
34 section by filing a written request for reconsideration. A request for
35 reconsideration must:

36 (1) be filed with the department of local government finance
37 within fifteen (15) days of the receipt of the determination by the
38 political subdivision; and

(2) state with reasonable specificity the reason for the request.
The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request.

(j) This subsection applies to an additional appropriation by a political subdivision that must have the political subdivision's annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20 or by a legislative or fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision's annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.

(k) This subsection applies to a public library that:

(1) is required to submit the public library's budgets, tax rates, and tax levies for nonbinding review under IC 6-1.1-17-3.5; and

(2) is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20.

If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or ~~IC 6-1.1-17-20(d)~~, **IC 6-1.1-17-20.3(d)**, as appropriate."

Delete pages 27 through 28.

Page 29, delete lines 1 through 35, begin a new paragraph and insert:

"SECTION 26. IC 6-1.1-18-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) As used in this section, "qualified taxing unit" refers to the following taxing units:**

(1) DeKalb County.

(2) The town of Middlebury in Elkhart County.

(b) Before July 1, 2014, the department shall calculate and certify to the fiscal body of a qualified taxing unit the result of:

(1) the amount of the property tax levy that could have been imposed for property taxes first due and payable in 2014, if the budgets and levies of the qualified taxing unit had been properly advertised; minus

(2) the amount of the property tax levy approved by the department under IC 6-1.1-17 for property taxes first due and payable in calendar year 2014, after reducing the qualified taxing unit's budget and property tax levy because the qualified taxing unit's budget and property tax levy information were not properly advertised.

(c) After receiving the certifications required under subsection (b), the fiscal body of a qualified taxing unit may adopt an ordinance authorizing the qualified taxing unit to borrow money from a financial institution to replace part or all of the amount certified under subsection (b).

(d) If a qualified taxing unit receives a loan under this section, the fiscal officer of the qualified taxing unit shall deposit the loan in each fund affected by the reduction of the qualified taxing unit's budget and property tax levy. The amount deposited may be used for any of the lawful purposes of that fund.

(e) If a qualified taxing unit borrows money under subsection (c), the qualified taxing unit shall impose a property tax levy in calendar year 2015 for the qualified taxing unit's debt service fund to repay the total amount borrowed. The property tax levy under this subsection must be treated as:

(1) protected taxes (as defined in IC 6-1.1-20.6-9.8); and

(2) property taxes that are exempt from the levy limitations of IC 6-1.1-18.5.

(f) This section expires June 30, 2016."

Page 34, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 32.IC 36-7-14-15.5, AS AMENDED BY P.L.119-2012, SECTION 206, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15.5. (a) This section applies to a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000).

(b) In adopting a declaratory resolution under section 15 of this chapter, a redevelopment commission may include a provision stating that the redevelopment project area is considered to include one (1) or

1 more additional areas outside the boundaries of the redevelopment
 2 project area if the redevelopment commission makes the following
 3 findings and the requirements of subsection (c) are met:

4 (1) One (1) or more taxpayers presently located within the
 5 boundaries of the redevelopment project area are expected within
 6 one (1) year to relocate all or part of their operations outside the
 7 boundaries of the redevelopment project area and have expressed
 8 an interest in relocating all or part of their operations within the
 9 boundaries of an additional area.

10 (2) The relocation described in subdivision (1) will contribute to
 11 the continuation of the conditions described in IC 36-7-1-3 in the
 12 redevelopment project area.

13 (3) For purposes of this section, it will be of public utility and
 14 benefit to include the additional areas as part of the
 15 redevelopment project area.

16 (c) Each additional area must be designated by the redevelopment
 17 commission as a redevelopment project area or an economic
 18 development area under this chapter.

19 (d) Notwithstanding section 3 of this chapter, the additional areas
 20 shall be considered to be a part of the redevelopment special taxing
 21 district under the jurisdiction of the redevelopment commission. Any
 22 excess property taxes that the commission has determined may be paid
 23 to taxing units under section ~~39(b)(4)~~ **(39)(b)(5)** of this chapter shall be
 24 paid to the taxing units from which the excess property taxes were
 25 derived. All powers of the redevelopment commission authorized under
 26 this chapter may be exercised by the redevelopment commission in
 27 additional areas under its jurisdiction.

28 (e) The declaratory resolution must include a statement of the
 29 general boundaries of each additional area. However, it is sufficient to
 30 describe those boundaries by location in relation to public ways,
 31 streams, or otherwise, as determined by the commissioners.

32 (f) The declaratory resolution may include a provision with respect
 33 to the allocation and distribution of property taxes with respect to one
 34 (1) or more of the additional areas in the manner provided in section 39
 35 of this chapter. If the redevelopment commission includes such a
 36 provision in the resolution, allocation areas in the redevelopment
 37 project area and in the additional areas considered to be part of the
 38 redevelopment project area shall be considered a single allocation area

1 for purposes of this chapter.

2 (g) The additional areas must be located within the same county as
3 the redevelopment project area but are not otherwise required to be
4 within the jurisdiction of the redevelopment commission, if the
5 redevelopment commission obtains the consent by ordinance of:

6 (1) the county legislative body, for each additional area located
7 within the unincorporated part of the county; or

8 (2) the legislative body of the city or town affected, for each
9 additional area located within a city or town.

10 In granting its consent, the legislative body shall approve the plan of
11 development or redevelopment relating to the additional area.

12 (h) A declaratory resolution previously adopted may be amended to
13 include a provision to include additional areas as set forth in this
14 section and an allocation provision under section 39 of this chapter
15 with respect to one (1) or more of the additional areas in accordance
16 with sections 15, 16, and 17 of this chapter.

17 (i) The redevelopment commission may amend the allocation
18 provision of a declaratory resolution in accordance with sections 15,
19 16, and 17 of this chapter to change the assessment date that
20 determines the base assessed value of property in the allocation area to
21 any assessment date following the effective date of the allocation
22 provision of the declaratory resolution. Such a change may relate to the
23 assessment date that determines the base assessed value of that portion
24 of the allocation area that is located in the redevelopment project area
25 alone, that portion of the allocation area that is located in an additional
26 area alone, or the entire allocation area."

27 Page 34, line 35, delete "(j);" and insert "(i);".

28 Page 35, line 5, delete "(j);" and insert "(i);".

29 Page 35, line 21, delete "(j)." and insert "(i).".

30 Page 35, line 26, delete "(j)." and insert "(i).".

31 Page 36, line 8, delete "A" and insert "**Subject to subsection (k), a**".

32 Page 36, line 12, delete "A" and insert "**Subject to subsection (k),**
33 a".

34 Page 39, line 29, delete "(i)," and insert "(h),".

35 Page 40, delete lines 17 through 28.

36 Page 40, line 29, delete "(d)" and insert "(c)".

37 Page 40, line 36, reset in roman "commission".

38 Page 40, line 36, delete "fiscal body".

- 1 Page 40, line 39, reset in roman "commission".
- 2 Page 40, line 39, delete "fiscal body".
- 3 Page 41, delete line 1.
- 4 Page 41, line 2, delete "with the written notice."
- 5 Page 41, line 4, after "the" reset in roman "commission".
- 6 Page 41, line 4, delete "fiscal body".
- 7 Page 41, line 4, after "The" reset in roman "commission".
- 8 Page 41, line 4, delete "fiscal".
- 9 Page 41, line 5, delete "body".
- 10 Page 41, line 9, delete "(e)" and insert "(d)".
- 11 Page 41, line 17, delete "(f)" and insert "(e)".
- 12 Page 41, line 21, delete "(g)" and insert "(f)".
- 13 Page 41, line 25, delete "(h)" and insert "(g)".
- 14 Page 41, line 33, delete "(i)" and insert "(h)".
- 15 Page 42, line 23, delete "(j)" and insert "(i)".
- 16 Page 43, line 12, delete "(k)" and insert "(j)".
- 17 Page 43, between lines 26 and 27, begin a new paragraph and insert:
- 18 **"(k) After June 30, 2014, a redevelopment commission may not**
- 19 **adopt a proposed declaratory resolution or an amendment to a**
- 20 **declaratory resolution that includes a provision for the allocation**
- 21 **and distribution of property taxes in accordance with subsection**
- 22 **(b) if the allocation provision would establish or enlarge an**
- 23 **allocation area in such a manner that, if the resolution or**
- 24 **amendment were adopted:**
- 25 **(1) the aggregate geographic area included in allocation areas**
- 26 **within the county would exceed twelve percent (12%) of the**
- 27 **geographic area of the county; or**
- 28 **(2) the aggregate base assessed value included in allocation**
- 29 **areas within the county would exceed twelve percent (12%) of**
- 30 **the assessed value of property in the county;**
- 31 **unless each taxing unit wholly or partially located within the**
- 32 **allocation area first adopts a resolution approving the proposed**
- 33 **declaratory resolution or amendment to a declaratory resolution."**
- 34 Page 43, line 35, delete "39(j)" and insert "**39(i)**".
- 35 Page 47, line 4, delete "39(j)" and insert "**39(i)**".
- 36 Page 48, between lines 36 and 37, begin a new paragraph and insert:
- 37 **"SECTION 35.IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,**
- 38 **SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**

1 JULY 1, 2014]: Sec. 26. (a) As used in this section:

2 "Allocation area" means that part of a redevelopment project area
3 to which an allocation provision of a resolution adopted under section
4 8 of this chapter refers for purposes of distribution and allocation of
5 property taxes.

6 "Base assessed value" means the following:

7 (1) If an allocation provision is adopted after June 30, 1995, in a
8 declaratory resolution or an amendment to a declaratory
9 resolution establishing an economic development area:

10 (A) the net assessed value of all the property as finally
11 determined for the assessment date immediately preceding the
12 effective date of the allocation provision of the declaratory
13 resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

14 (B) to the extent that it is not included in clause (A), the net
15 assessed value of property that is assessed as residential
16 property under the rules of the department of local government
17 finance, as finally determined for any assessment date after the
18 effective date of the allocation provision.

19 (2) If an allocation provision is adopted after June 30, 1997, in a
20 declaratory resolution or an amendment to a declaratory
21 resolution establishing a redevelopment project area:

22 (A) the net assessed value of all the property as finally
23 determined for the assessment date immediately preceding the
24 effective date of the allocation provision of the declaratory
25 resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

26 (B) to the extent that it is not included in clause (A), the net
27 assessed value of property that is assessed as residential
28 property under the rules of the department of local government
29 finance, as finally determined for any assessment date after the
30 effective date of the allocation provision.

31 (3) If:

32 (A) an allocation provision adopted before June 30, 1995, in
33 a declaratory resolution or an amendment to a declaratory
34 resolution establishing a redevelopment project area expires
35 after June 30, 1997; and

36 (B) after June 30, 1997, a new allocation provision is included
37 in an amendment to the declaratory resolution;

38 the net assessed value of all the property as finally determined for

the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection ~~(h)~~: **(i)**.

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection ~~(h)~~: **(i)**.

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

"Obligation" includes currently outstanding bonds, leases, and contracts.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) Subject to subsection (k), a resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection ~~(i)~~ **(j)** may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. **Subject to subsection (k)**, a resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline

determined under subsection ~~(i)~~ (j) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

1 (3) Except as otherwise provided in this section, property tax
2 proceeds in excess of those described in subdivisions (1) and (2)
3 shall be allocated to the redevelopment district and, when
4 collected, paid into a special fund for that allocation area that may
5 be used by the redevelopment district only to do one (1) or more
6 of the following:

7 (A) Pay the principal of and interest on any obligations
8 payable solely from allocated tax proceeds that are incurred by
9 the redevelopment district for the purpose of financing or
10 refinancing the redevelopment of that allocation area.

11 (B) Establish, augment, or restore the debt service reserve for
12 bonds payable solely or in part from allocated tax proceeds in
13 that allocation area.

14 (C) Pay the principal of and interest on bonds payable from
15 allocated tax proceeds in that allocation area and from the
16 special tax levied under section 19 of this chapter.

17 (D) Pay the principal of and interest on bonds issued by the
18 consolidated city to pay for local public improvements that are
19 physically located in or physically connected to that allocation
20 area.

21 (E) Pay premiums on the redemption before maturity of bonds
22 payable solely or in part from allocated tax proceeds in that
23 allocation area.

24 (F) Make payments on leases payable from allocated tax
25 proceeds in that allocation area under section 17.1 of this
26 chapter.

27 (G) Reimburse the consolidated city for expenditures for local
28 public improvements (which include buildings, parking
29 facilities, and other items set forth in section 17 of this
30 chapter) that are physically located in or physically connected
31 to that allocation area.

32 (H) Reimburse the unit for rentals paid by it for a building or
33 parking facility that is physically located in or physically
34 connected to that allocation area under any lease entered into
35 under IC 36-1-10.

36 (I) Reimburse public and private entities for expenses incurred
37 in training employees of industrial facilities that are located:

38 (i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

The special fund may not be used for operating expenses of the commission.

(4) Before July 15 of each year, the commission shall ~~do the following:~~ **conduct a public hearing. Notice of the hearing shall be given in accordance with IC 5-3-1. The commission shall also provide a copy of the notice to the department of local government finance and each taxing unit within an allocation area governed by the commission at least ten (10) days before the hearing. The notice must include:**

(A) estimated incremental revenues for the ensuing year;

1 **(B) estimated obligations to be paid for the ensuing year;**

2 **(C) actual obligations paid in the previous year; and**

3 **(D) estimated fiscal impact to the taxing units if:**

4 **(i) the commission captures the amount it intends to**
5 **capture; and**

6 **(ii) the commission releases all incremental assessed**
7 **valuation.**

8 **(5) At the close of the hearing, the commission shall:**

9 (A) Determine the amount, if any, by which the assessed value
10 of the taxable property in the allocation area for the most
11 recent assessment date minus the base assessed value, when
12 multiplied by the estimated tax rate of the allocation area will
13 exceed the amount of assessed value needed to provide the
14 property taxes necessary to make, when due, principal and
15 interest payments on bonds described in subdivision (3) plus
16 the amount necessary for other purposes described in
17 subdivision (3) and subsection ~~(g)~~: **(h)**.

18 **(B) Determine the tax increment replacement amount**
19 **under IC 6-1.1-21.2-11.**

20 **(C) Present an estimate of tax increment revenues and**
21 **financial obligations for the ensuing year.**

22 ~~(B)~~ **(c) Following the hearing, the commission shall** provide a
23 written notice to the county auditor, the legislative body of the
24 consolidated city, and the officers who are authorized to fix budgets,
25 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing
26 units that is wholly or partly located within the allocation area. The
27 notice must:

28 ~~(i)~~ **(1)** state the amount, if any, of excess assessed value that the
29 commission has determined may be allocated to the respective
30 taxing units in the manner prescribed in ~~subdivision (1)~~;
31 **subsection (b)(1); or**

32 ~~(ii)~~ **(2)** state that the commission has determined that there is no
33 excess assessed value that may be allocated to the respective
34 taxing units in the manner prescribed in ~~subdivision (1)~~;
35 **subsection (b)(1).**

36 The county auditor shall allocate to the respective taxing units the
37 amount, if any, of excess assessed value determined by the
38 commission. The commission may not authorize an allocation to the

1 respective taxing units under this subdivision if to do so would
 2 endanger the interests of the holders of bonds described in ~~subdivision~~
 3 ~~(3)~~: **subsection (b)(3)**.

4 ~~(c)~~ **(d)** For the purpose of allocating taxes levied by or for any taxing
 5 unit or units, the assessed value of taxable property in a territory in the
 6 allocation area that is annexed by any taxing unit after the effective
 7 date of the allocation provision of the resolution is the lesser of:

- 8 (1) the assessed value of the property for the assessment date with
 9 respect to which the allocation and distribution is made; or
 10 (2) the base assessed value.

11 ~~(d)~~ **(e)** Property tax proceeds allocable to the redevelopment district
 12 under subsection (b)(3) may, subject to subsection ~~(b)(4)~~, **(b)(5)**, be
 13 irrevocably pledged by the redevelopment district for payment as set
 14 forth in subsection (b)(3).

15 ~~(e)~~ **(f)** Notwithstanding any other law, each assessor shall, upon
 16 petition of the commission, reassess the taxable property situated upon
 17 or in, or added to, the allocation area, effective on the next assessment
 18 date after the petition.

19 ~~(f)~~ **(g)** Notwithstanding any other law, the assessed value of all
 20 taxable property in the allocation area, for purposes of tax limitation,
 21 property tax replacement, and formulation of the budget, tax rate, and
 22 tax levy for each political subdivision in which the property is located
 23 is the lesser of:

- 24 (1) the assessed value of the property as valued without regard to
 25 this section; or
 26 (2) the base assessed value.

27 ~~(g)~~ **(h)** If any part of the allocation area is located in an enterprise
 28 zone created under IC 5-28-15, the unit that designated the allocation
 29 area shall create funds as specified in this subsection. A unit that has
 30 obligations, bonds, or leases payable from allocated tax proceeds under
 31 subsection (b)(3) shall establish an allocation fund for the purposes
 32 specified in subsection (b)(3) and a special zone fund. Such a unit
 33 shall, until the end of the enterprise zone phase out period, deposit each
 34 year in the special zone fund the amount in the allocation fund derived
 35 from property tax proceeds in excess of those described in subsection
 36 (b)(1) and (b)(2) from property located in the enterprise zone that
 37 exceeds the amount sufficient for the purposes specified in subsection
 38 (b)(3) for the year. A unit that has no obligations, bonds, or leases

payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

~~(h)~~ (i) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment

district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(j) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

(k) After June 30, 2014, the commission may not adopt a proposed declaratory resolution or an amendment to a declaratory resolution that includes a provision for the allocation and distribution of property taxes in accordance with subsection (b) if the allocation provision would establish or enlarge an allocation area in such a manner that, if the resolution or amendment were adopted:

(1) the aggregate geographic area included in allocation areas within the county would exceed ten percent (10%) of the geographic area of the county; or

(2) the aggregate base assessed value included in allocation areas within the county would exceed ten percent (10%) of the assessed value of property in the county;

unless each designated taxing unit wholly or partially located

within the redevelopment district first adopts a resolution approving the proposed declaratory resolution or amendment to a declaratory resolution.

SECTION 26. IC 36-7-15.1-26.2, AS AMENDED BY P.L.172-2011, SECTION 153, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26.2. (a) As used in this section, "depreciable personal property" refers to all of the designated taxpayer's depreciable personal property that is located in the allocation area.

(b) As used in this section, "designated taxpayer" means a taxpayer designated by the commission in a declaratory resolution adopted or amended under section 8 or 10.5 of this chapter, and with respect to which the commission finds that:

(1) taxes to be derived from the taxpayer's depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed to pay debt service for bonds issued under section 17 of this chapter or to make payments on leases payable under section 17.1 of this chapter in order to provide local public improvements for a particular allocation area;

(2) the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing, distribution, transportation, or convention center hotel related projects or regulated amusement devices (as defined in IC 22-12-1-19.1) and related improvements; and

(3) the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects, other than an amusement park or tourism industry project.

For purposes of subdivision (3), a convention center hotel project is not considered a retail, commercial, or residential project.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 26(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property of designated taxpayers in accordance with the procedures and limitations set forth in this section and section 26 of this chapter. If such a modification is included in the resolution, for purposes of section 26 of this chapter the term "base assessed value" with respect

- 1 to the depreciable personal property of designated taxpayers means the
2 net assessed value of the depreciable personal property as finally
3 determined for the assessment date immediately preceding:
4 (1) the effective date of the modification, for modifications
5 adopted before July 1, 1995; and
6 (2) the adoption date of the modification for modifications
7 adopted after June 30, 1995;
8 as adjusted under section ~~26(h)~~ **26(i)** of this chapter."
9 Page 51, line 13, strike "operating".
10 Renumber all SECTIONS consecutively.
(Reference is to HB 1266 as introduced.)

and when so amended that said bill do pass.

Representative Brown T